

Free Book Excerpt

CYCLES: The simplest, proven method to innovate faster while reducing risks
A work from Bryan Cassady and 22 Innovation Experts

CHAPTER 8

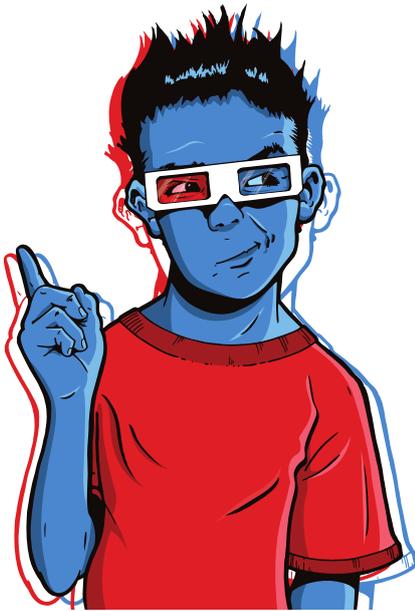
**THE VALUE OF CULTURE:
HOW SUPPORTIVE CULTURES
CAN REVERSE THE INNOVATION
SLOPE**

“A culture that encourages people to work together will always beat one that doesn’t.”

SIMON VANHOUCKE

CO-AUTHOR OF THE BOOK CYCLES





WHAT YOU WILL FIND IN THE CHAPTER

KEY TAKE-AWAYS

- **Culture matters**– the relationships between the people in your organization define how effectively they perform and how creative they are.
- **“We” always beats “Me”** – supportive, collaborative, team-based cultures always perform better than competitive cultures focused on individuals.
- **Culture can be changed** – take it step-by-step, and you can build the innovation culture you need.
- **Culture change takes time** – building a new culture takes time. It is a cumulative process where the aggregation of small changes gradually leads to positive change.
- **Walk before you run** – companies that try to change too much too fast frustrate their employees and usually fail. It might feel frustrating to start slowly, but it will increase your odds of success dramatically.

YOU WILL ALSO GET A LINK TO SOME USEFUL CANVASES

The Alignment Canvas

Created for: _____ Created by: _____ Date: _____

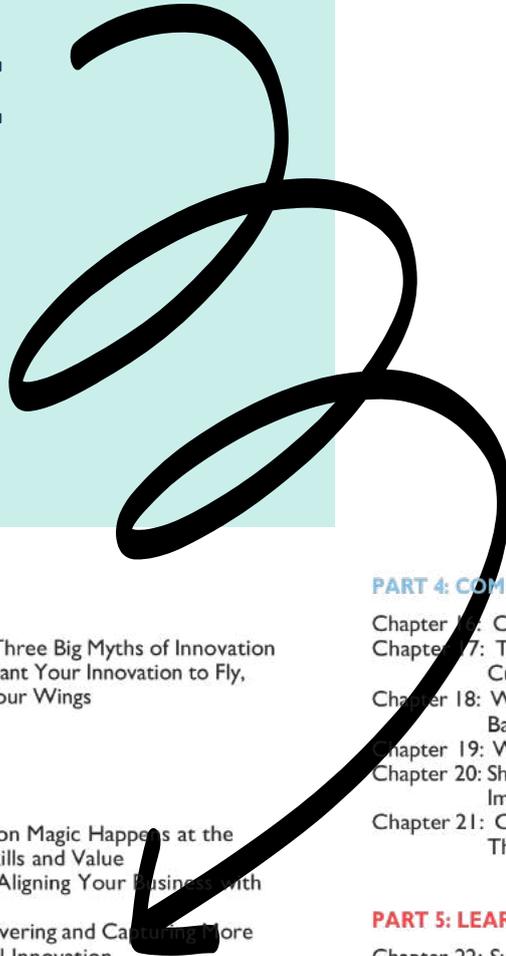
Step 1. Mission			Step 2. Meaningful value		
Significance What important thing do you want to do?	Skills What skills can you leverage?	Value What are people willing to pay for?	When Situation	I want to Motivation	So I can Expected outcome
 Mission			How will they measure progress? (How will they see the job is being done?)		
			Who (or what) is the competition?		
			Why will they live their current solution to hire you?		
Step 3. Delivered better through business model innovation			Step 4. With a culture to do it better		
Business Model right now	The Core Challenge(s)	How can it be improved (parameters)	Who are you today?	Who do you need to be tomorrow?	Growth objectives
What:		What:			
Who:		Who:			
How:		How:			
Value Extraction:		Value Extraction:			

DESIGNED BY: FORT BRIDGE CONSULTING
www.fortbridge.com

© CC BY-NC-SA
This work is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License. For more information, see <http://creativecommons.org/licenses/by-nc-sa/4.0/>. This work is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License. For more information, see <http://creativecommons.org/licenses/by-nc-sa/4.0/>.

CYCLES
www.thecyclesbook.com

CHAPTER FROM THE BOOK CYCLES



PART 1: INTRODUCTION

- Chapter 1: An Honest Introduction
- Chapter 2: Knowing What Ain't So: The Three Big Myths of Innovation
- Chapter 3: The Power of Theory: If You Want Your Innovation to Fly, Theory Is the Wind Beneath Your Wings

PART 2: ALIGNMENT

- Chapter 4: Alignment Introduction
- Chapter 5: Finding Your Mission: Innovation Magic Happens at the Intersection of Significance, Skills and Value
- Chapter 6: Finding the Jobs To Be Done: Aligning Your Business with Customer Value
- Chapter 7: Looking at the Big Picture: Delivering and Capturing More Value Through Business Model Innovation
- Chapter 8: The Value of Culture: How Supportive Cultures Can Reverse the Innovation Slope
- Chapter 9: Alignment: Conclusion

PART 3: BUILD

- Chapter 10: Build Introduction
- Chapter 11: Defining Your Innovation Challenge: What Is the Problem You Need To Solve?
- Chapter 12: Starting with What You Have: Effectuation and the Power of Action
- Chapter 13: No More Brain Drains. It's Time to Start Building Ideas. If You Want More High-Quality Ideas, Look for Stimulus and Diversity.
- Chapter 14: The Power of Persistence: Why You Must Keep Moving Forward While Being Prepared to Change Direction
- Chapter 15: Build Conclusion

PART 4: COMMUNICATE AND CHECK

- Chapter 16: Communicate / Check Introduction
- Chapter 17: The Power of Clarity: Understanding, Humility, and the Curse of Knowledge.
- Chapter 18: What You See Isn't Always What You Get! Good Research, Bad Research and the Art of Really Listening to Feedback
- Chapter 19: Will They Pay? The Question Too Many People Forget to Ask
- Chapter 20: Shoot Your Puppies and Move On: Why Killing Ideas Is as Important as Building New Ideas and How To Do It
- Chapter 21: Communicate / Check Conclusion Make it Clear; See if They Want It and Will Pay. Then Decide To Kill or Continue

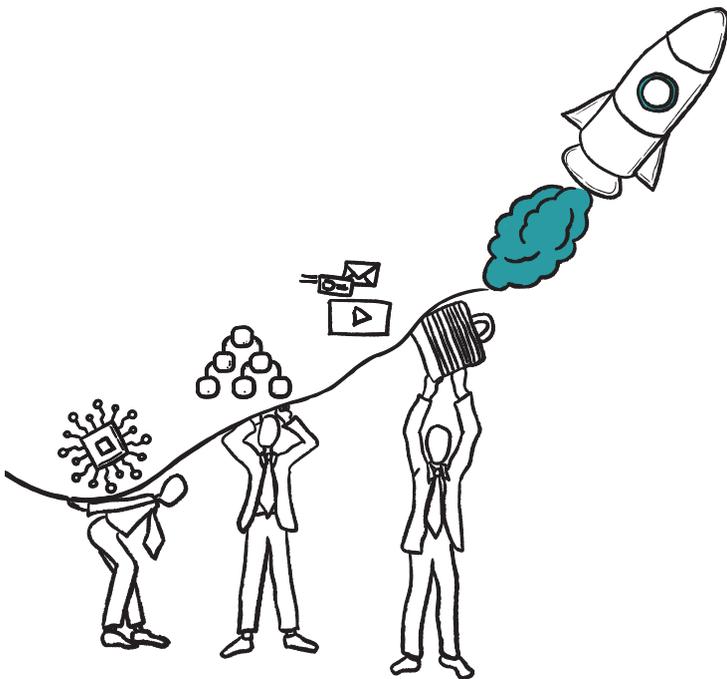
PART 5: LEARNING SYSTEMS

- Chapter 22: Systems Introduction
- Chapter 23: Uncertainty and the Fear of Losing: How to Change Your Mindset To Focus on Winning
- Chapter 24: Systems Thinking and Profound Innovation: Getting to the Heart of Innovation
- Chapter 25: One Thing at a Time: Using Focus and Sequentially To Avoid "Monkey Brain" Innovation
- Chapter 26: Bullets First, Then Cannonballs: The Secrets of a Learning Organization
- Chapter 27: Systems Conclusion

PART 6: CONCLUSION

- Chapter 28: Bringing It All Together: Using Behavioral Science and a Habit-Building Approach To Deliver Sustainable Innovation

CHAPTER 8: THE VALUE OF CULTURE: HOW SUPPORTIVE CULTURES CAN REVERSE THE INNOVATION SLOPE



**A culture that encourages people
to work together will always
beat one that doesn't.**

What Extraordinary Teams Can Accomplish.

On April 12th, 2009, SEAL Team Six faced one of its most challenging missions. Three Somali pirates were holding hostage Richard Phillips, Captain of the *Maersk Alabama*. They had hi-jacked the container ship a few days before. The pirates and hostage were now in a lifeboat heading for Somalia when discovered in a remote part of the Indian Ocean by a US Navy destroyer, the *USS Bainbridge*.

This chapter was co-written with
Simon Vanhoucke.

As the *Bainbridge* kept the lifeboat under observation, the situation was growing increasingly dangerous. The three pirates were armed, nervous, and they had run out of the narcotic *khat* leaves they habitually chewed, making them restless, aggressive, and unpredictable. They decided to make a run for the Somali coast, assuming that their hostage would keep them safe from any attack.

They didn't know that members of SEAL Team Six, an elite US Navy Special Forces unit, were watching the lifeboat from the helicopter deck of the *Bainbridge*. However, they ruled out any approach to the lifeboat because it would alert the pirates, and any attempt to use SEAL snipers might cause the survivors to kill the hostage.

The only possible solution was that the SEAL snipers must kill all three pirates simultaneously and instantly. It had to be done at night and with a target heaving wildly in a rising sea behind the *Bainbridge*. It's the kind of life-or-death challenge that few of us will ever experience. The three snipers had to coordinate the moment to take their shot very carefully, as none could fire until all had a clear target and all had to fire at precisely the same moment. If any one of the snipers missed their mark, the hostage would almost certainly die.

The SEAL snipers succeeded; each of the pirates was killed simultaneously by a single shot to the head, and Captain Phillips was rescued unharmed. How did they accomplish that? By operating not as individuals but as parts of an effective team. As the SEALs say, "*Individuals play the game, but teams beat the odds.*"

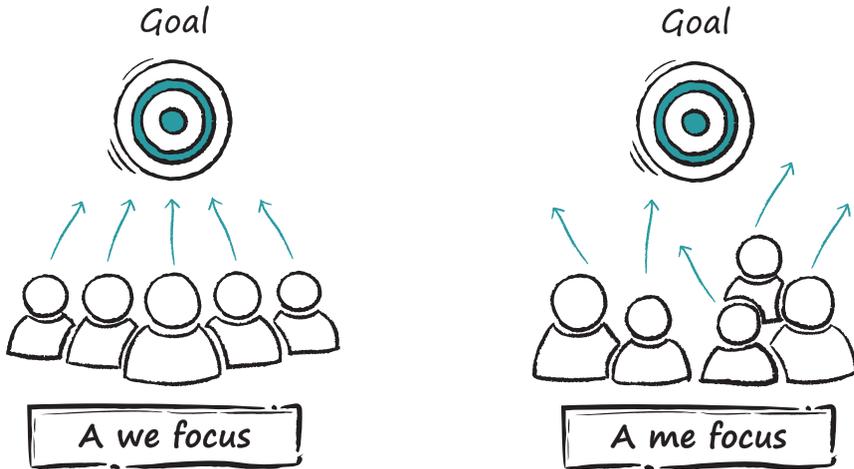
A Culture of "We".

The previous chapters have discussed *what* you need to do to achieve alignment. This chapter looks at *how* you can do it. Culture, the relationships between the people in your organization, underpin everything you need to do. Having the right culture in place makes it much simpler and is possibly the single most crucial factor in achieving alignment.

A "Me" culture is characterized by self-indulgence, entitlement, and individuals that pursue their own interests. Unfortunately, many teams in commercial organizations are Me-teams. SEALs provide an example of the opposite, a "We" culture that takes its philosophy from English poet John Donne's famous quote:

**"No man is an island, entire of itself;
every man is a piece of the continent,
a part of the main."**

A *We* culture facilitates a shared focus on getting the job done. It promotes support within the team to ensure that goals are achieved. In a *Me* culture, every team member is focused on self-interest and working towards their own goals. No matter how talented its individual members, a *Me* culture will always be less effective than a *We* culture where efforts and resources are focused and coordinated.



Fortunately, a *Me* culture can be converted to a *We* culture. An essential part of this transition is alignment with a broader philosophy, a set of common goals towards which all team members work.

In this chapter, we will show you how to create a *We* culture of your own.

Contagious Change and Bad Apples.

Research scientists at the Rensselaer Polytechnic Institute, a private research university in New York, published a study describing how committed minorities in any social grouping can have a disproportionate effect on all members' views. What they found was startling; if just 10% of the members of any group firmly hold a particular belief, that belief will inevitably spread to the whole group. It is important because you do not have to persuade everybody when you are trying to establish a new culture. Get 10% or more strongly on-board with the new philosophy, and it *will* spread to the rest.

However, it is not only positive ideas that are contagious. Other studies highlight the negative effects of "*bad apples*", disagreeable or irresponsible team members who will not or cannot become part of a supportive *We* culture. These studies clearly show that even a single *bad apple* in a team negatively affects the performance. An analysis of twenty-five published studies by the University of Washington School of Business researchers William Felps and Terence Mitchell noted that:

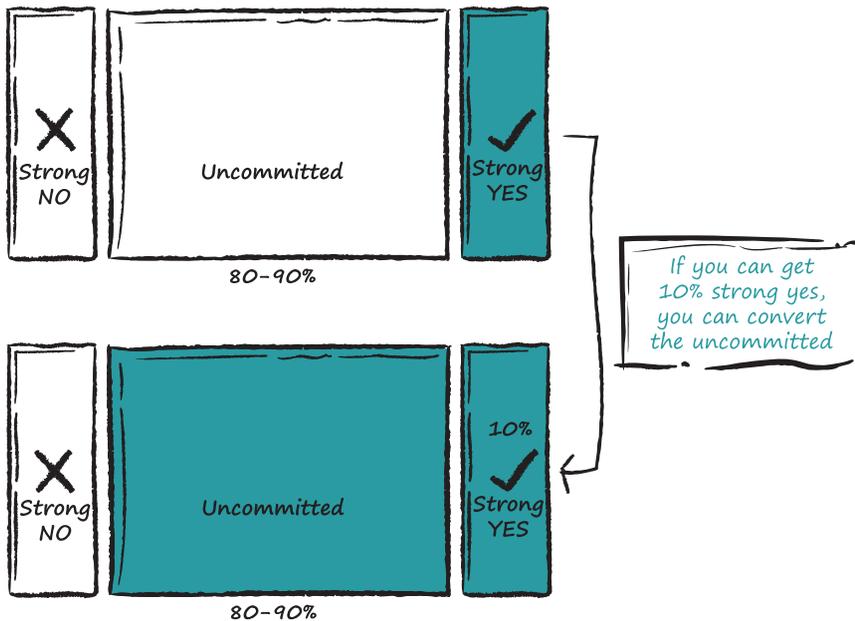
“The negativity of just one individual is pervasive, destructive, and can spread quickly.”

It is not the first or only study to show such results. A single negative employee can affect how a team performs and can even impact an entire organization’s efficient function. Such employees may be negligent with their work, emotionally unstable, and may bully, attack, or undermine colleagues. These *bad apples* have no place in a *We* culture.

Changing from Me to We.

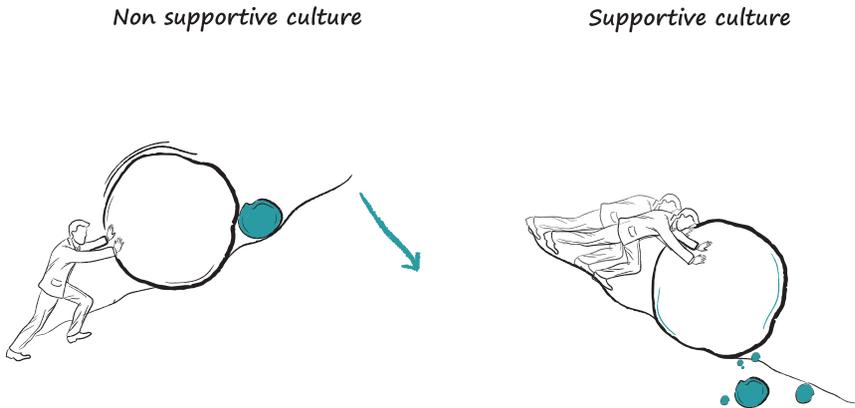
A *We* culture will support, nurture, and promote innovation. A *Me* culture will not. But, how do you change a *Me* culture to a *We* culture? The answer is simple; you use the opposite of bad apples, “*positive deviants*”, to build the 10% you need to make the *We* culture contagious.

If at least 10% of any team are “*strong yes-sayers*” and people open to change and committed to improvement, that attitude will spread to the whole team. Conversely, if a team includes even a few *bad apples*, it will be pervaded by negativity and inertia.



It is something you must consider when you are building teams to support innovation. Identify *bad apples* and keep them out of innovation teams; they will act as “*energy-vampires*”, reducing motivation and stifling innovation. Select *positive deviants* and make sure they form at least 10% of the team.

Think of yourself as the mythical Sisyphus, condemned to pushing a boulder up a steep mountain for all of eternity. Making innovation work within an organization can also feel like a never-ending task but creating a supportive *We* culture makes a dramatic difference by reducing the mountain's slope and making it easier to roll that boulder.



What Is Culture?

What do we mean when we talk about culture in the context of an organization? In his book *The Culture Code*, author Daniel Coyle defines organizational culture as: “Culture is a set of living relationships working toward a shared goal. It’s not something you are: your intelligence, talents, or experience. It’s the stuff you do.”

In the book, Coyle argues that effective cultures are created when team members engage in behaviors that promote bonding within the group. Groups with such behaviors are more resilient during crises, more able to accept and effectively act on feedback, and are generally “high-performing”. The essential factor is that these cultures are inherently supportive. Supportive cultures enable and facilitate constant innovation.

Supportive cultures include positive deviants that sway the culture of the group in the right direction. A supportive culture leads to a constancy of purpose, supports active learning essential to innovation, and generates overall organizational health improvements.

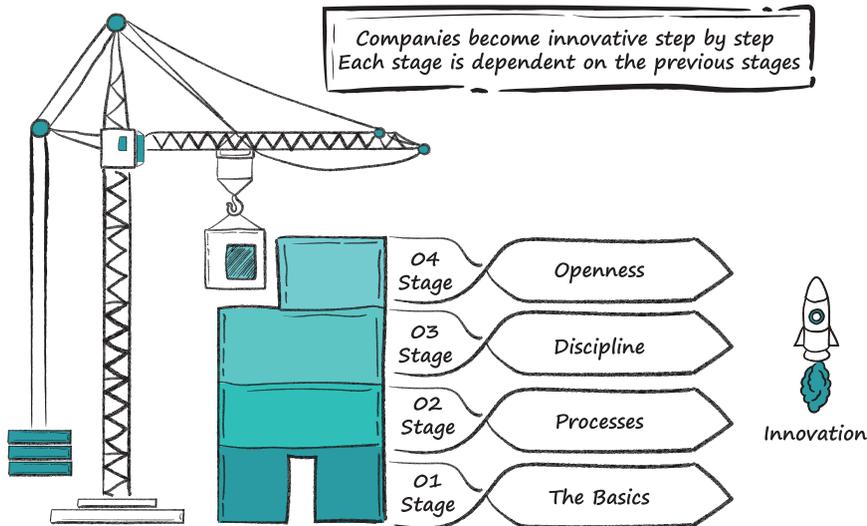
If you can screen out the *bad apples* and include positive deviants, you can guarantee that your team will regularly accomplish innovation. However, suppose you can also create a supportive culture that fosters and encourages creativity. In that case, you can create an “extraordinary team” that is highly innovative and will perform significantly better than the competition.

What Is an Effective Innovation Culture?

We have studied more than 400 companies over a period of four years, finding that there are important common factors in cultures that regularly succeed at innovation:

1. They are aligned strategically and at every level.
2. Give employees autonomy within the overall context of alignment, ensuring a concentration of effort and that everyone is aiming for the same goals.
3. Once alignment, attitudes, *and* learning orientation is in place, systemic changes follow.
4. Successful companies find the right balance between disruptive and incremental innovation.
5. They reward proactivity.
6. They learn to walk before they try to run.
7. Whether the company is big or small, established or new, each team member acts as though they are part of a successful startup.

We found that successful innovation cultures in small and large companies are built on the same basic foundation, and these cultures acquire the knack of constant innovation. However, to reach this point, they evolve by going through four distinct stages.



Over 90% of companies go through these stages sequentially. That means the right way to move forward is almost always to simply identify the stage a company is at now and then work on what will get them to the next stage

Stage 1: Basics - The foundation of innovative teams.

Characteristics: A desire for innovation, strategic alignment to innovating, and a need to constantly learn.

Stage 2: Processes - The systems that enable innovation.

Characteristics: valuing diversity in opinions, having structures that promote innovation, being customer-oriented with feedback systems.

Stage 3: Discipline and Persistence - Filtering out distractions.

Characteristics: regularly completing projects, quick cycle time, and team-wide discipline.

Stage 4: Openness - Being open to change/collaboration.

Characteristics: entrepreneurial orientation, working with competitors to create a better product, reflection.

All the companies we have studied go through the same four stages, and it takes hard work to progress across all four. It is also worth noting that this is not a one-off project; it is a never-ending process. Customer-needs change over time. New constraints come into place, and systems must evolve to deal with them. Companies that innovate successfully keep going up and down these stages as the world changes. They embrace change and understand the need to continually advance across the four stages *and act on this need*.

Where Are You Now and Where Do You Want to Be?

Here are three steps to changing any organizational culture:

1. Assess where you are now.
2. Focus on the next step.
3. Move ahead.

Step 1: Where am I today?

Before you begin transforming your corporate culture, you need to know where you are today. It is fundamental; if you are not sure where you are, you cannot see where you need to go. However, accurately and objectively assessing your current organizational culture is very challenging. In fact, it may be one of the most difficult things you do; while most companies think they know where they are in terms of the four stages, the truth is that few actually do.

To facilitate making this essential assessment, we have created a series of questions specifically intended to help you assess where you are, right now, in terms of the four stages. I cannot emphasize enough how important this is. We all tend to overestimate our performance. However, objectivity is essential at this stage. If you do not have the basics in place, you will be wasting your time if you try to work on the stages that follow.

The successful companies that we hear about have already worked through these stages to build their innovation culture “house”. That means that we often see these companies adding final detail ornaments on the roof, which makes some people assume that they should also be doing the same to be successful. Do not make this mistake; start with the foundations first, building step-by-step from there. It may be some time until you are ready to work on the roof, but if you take it step-by-step, you will have a sound structure when you get there.

Working through these questions will not be quick, and you must be honest and objective in your answers. However, the outcome will help tell you where you really are. I stress the importance of taking the time to thoroughly and objectively do this assessment as if you get the basics wrong; you will be building on unstable foundations. Be sure about where you are now before you start thinking about where you want to be in the future.

Stage 1: The Basics.

The Basics											
Desire/Hunger/Philosophies	Strongly disagree					Strongly agree					Your Score
Innovation is a part of everyone’s job	1	2	3	4	5	6	7	8	9	10	
There is a sense of urgency regarding the importance of change and innovation	1	2	3	4	5	6	7	8	9	10	
Change is regarded as an opportunity rather than a threat	1	2	3	4	5	6	7	8	9	10	
Strategy alignment											
Our innovation strategy is clearly communicated so that everyone knows the targets for improvement	1	2	3	4	5	6	7	8	9	10	
There is a clear link between the innovation projects we carry out and the overall strategy of the business	1	2	3	4	5	6	7	8	9	10	
It’s clear what products or services we specialize in	1	2	3	4	5	6	7	8	9	10	
Learning											
The basic values of our organization include learning as key to business improvement	1	2	3	4	5	6	7	8	9	10	
Managers basically agree that our organization’s ability to learn is the key to our competitive advantage	1	2	3	4	5	6	7	8	9	10	
We always analyze unsuccessful organizational endeavors and communicate the lessons learned widely	1	2	3	4	5	6	7	8	9	10	

If your score is less than 60 this is an area to work on

Stage 2: Processes.

Systems/Processes											
People processes	Strongly disagree					Strongly agree					Your Score
In my company, the quality of an idea is more important than whose idea it is	1	2	3	4	5	6	7	8	9	10	
We encourage new ways of thinking and solutions from diverse perspectives	1	2	3	4	5	6	7	8	9	10	
We value bringing in external people to bring "reality" into the organization	1	2	3	4	5	6	7	8	9	10	
Organizational design											
Our workplace provides the freedom to pursue new opportunities	1	2	3	4	5	6	7	8	9	10	
We have a deliberate, comprehensive and disciplined approach to innovation	1	2	3	4	5	6	7	8	9	10	
In my company, an individual's contribution to team performance is as important as their individual performance	1	2	3	4	5	6	7	8	9	10	
Customer focus											
We have effective and modern feedback loops to ensure that the customer is always heard	1	2	3	4	5	6	7	8	9	10	
Our strategy for competitive advantage is based on our understanding of customer needs	1	2	3	4	5	6	7	8	9	10	
We have mechanisms to make sure everyone (not just the marketing department) understands customer needs	1	2	3	4	5	6	7	8	9	10	

If your score is less than 60 this is an area to work on

Stage 3: Discipline.

Discipline/Persistence

Speed/Results focus	Strongly disagree					Strongly agree					Your Score
There is a continuous effort to reduce the cycle time between idea selection, processing and product launch	1	2	3	4	5	6	7	8	9	10	
We are driven and courageous to move faster in everything we do	1	2	3	4	5	6	7	8	9	10	
When working on a new project, we regularly define what is outside the scope of the project to ensure focus	1	2	3	4	5	6	7	8	9	10	

Systems to select ideas

We methodically filter and refine ideas to identify the most promising opportunities	1	2	3	4	5	6	7	8	9	10	
Early in projects, we set up measurement criteria to decide if the project should be stopped	1	2	3	4	5	6	7	8	9	10	
When we launch new ideas, we always make sure that there is an overt/obvious customer benefit before continuing.	1	2	3	4	5	6	7	8	9	10	

Organizational persistence

We have a burning desire to explore opportunities and to create new things	1	2	3	4	5	6	7	8	9	10	
The sense around here is that employee learning is an investment, not an expense	1	2	3	4	5	6	7	8	9	10	
Personnel in this enterprise realize that the very way they perceive the marketplace must be continually questioned	1	2	3	4	5	6	7	8	9	10	

If your score is less than 60 this is an area to work on

Stage 4: Open to the world.

Open to the world

Co-creation	<i>Strongly disagree</i>					<i>Strongly agree</i>					<i>Your Score</i>
We regularly use external experts to help us improve products or services, or to solve problems	1	2	3	4	5	6	7	8	9	10	
Our organization or team has instituted formal processes to network outside the company to find new ideas for processes	1	2	3	4	5	6	7	8	9	10	
Our organization makes it easy and encourages other organizations to approach us with new ideas, potential solutions	1	2	3	4	5	6	7	8	9	10	
Ecosystem management											
We never launch a product without first thinking about other products/ services on which our success is dependent	1	2	3	4	5	6	7	8	9	10	
We actively look for ways to reduce risks by working closely with business partners	1	2	3	4	5	6	7	8	9	10	
We give clear mandates to some people to build and manage new ecosystems	1	2	3	4	5	6	7	8	9	10	
Entrepreneurial orientation											
We have a strong emphasis on developing and marketing new products and services based on innovation	1	2	3	4	5	6	7	8	9	10	
We usually lead and competitors react to our business initiatives	1	2	3	4	5	6	7	8	9	10	
We have a strong emphasis on adapting freely to changing circumstances without too much concern for proven practices	1	2	3	4	5	6	7	8	9	10	

If your score is less than 60 this is an area to work on

Step 2: The next best step is one step forward.

Building a culture that will support innovation is a complex task. When you have finished assessing where you are now, deciding on the next step can feel intimidating. The best way forward is to take things logically, step-by-step. Use the results of the assessment questions to tell you which areas need work. Always begin by working on the basics first and progressing through processes, discipline, and openness.

You may discover that you are at stage 1, 2, or 3. The best thing you can do is take **one simple step forward** towards creating a culture of innovation. If your team is well aligned, the next goal is working on systemic changes (stage 2) to make innovation constant. If you are already at stage 2, the next step will involve focused action so you can advance into stages 3 and 4 to create an authentic culture of innovation.

Think of this in terms of sport. Suppose you are teaching someone to play tennis, and they want to learn how to do a fade-way backhand smash. That is a perfectly reasonable aim, but before they can learn this, they must have mastered the basic skills like grip, stance and learned to play a strong backhand. If you tried to teach a tennis beginner how to play a fade-way backhand smash, the result would be frustration. Building an innovation culture is the same; if you start too high, without getting the basics in place first, the outcome will be a waste of time and energy. Use the assessment questions to help you decide what to work on first.

Using your results			
Fill in your scores		Where to focus	
		Score	
Stage 1	Basics	<input type="text"/>	Find the first stage <60 That is your area to focus on now
Stage 2	Processes	<input type="text"/>	
Stage 3	Discipline	<input type="text"/>	
Stage 4	Openness	<input type="text"/>	
Link to full assessment: www.fast-bridge.net/innovready			
When you do the full assessment, how to work on that area is also provided.			

Step 3: Moving towards an innovation culture.

Creating an innovation culture is not something that can be achieved in a single leap. It is a process that gradually builds through small improvements. You have to take one thing at a time and then move to the next. Individually, these changes may not seem to make much difference, but cumulatively they will add up to significant change. That may only become apparent after some time has passed; one day, you will suddenly realize that your innovation culture has become high-functioning.

In the first chapter of his bestseller, *Atomic Habits*, James Clear provides an excellent example of this type of cumulative change. He describes how the British cycling team used targeted action to identify incremental changes that allowed them to evolve into champions.

When Dave Brailsford arrived in 2003 to take up the Performance Manager's position with the cycling team, Britain had won just one Olympic cycling medal in more than ninety years. No British cyclist had ever won the prestigious Tour de France. Instead of looking for a single transformative change, Brailsford was committed to "*the aggregation of marginal gains*"; the philosophy of searching for lots of tiny improvements. He said: "*If you broke down everything you could think of that goes into riding a bike, and then improved it all by 1 percent, you will get a significant increase when you put them all together.*"

A 1% improvement may not seem like much, but the aggregation of many 1% improvements adds up to a massive leap forward. Brailsford prioritized by taking focused action to make small improvements. He became obsessed with step-by-step optimization, even looking at things like the ideal pillow and mattress to ensure a good night's sleep and painting the team transporters white inside to make it easy to spot tiny specks of dirt that might have harmed the bike's performance.

Individually, the impact of each of these small improvements was relatively insignificant, but, when aggregated, they made a huge difference. Under Brailsford's leadership, the British team won an unprecedented eight gold medals for cycling at the Beijing Olympics in 2008. Four years later, at the London Olympics, they once again won eight gold medals. The accumulation of small improvements led to the British cycling team becoming not only successful but utterly dominant in the world of competitive cycling.

Step-By-Step You Scale The Mountain.

**"Success is a few simple disciplines,
practiced every day; while failure
is simply a few errors in judgment,
repeated every day."**

JIM ROHN

The success of the British cycling team graphically illustrates the benefits offered by small, focused improvements. When you are trying to build an innovation culture, you would prefer to see major improvements instantly. That is natural but can lead to unrealistic expectations, which can then depress morale. It is much better to pursue small meaningful improvements that help you to advance through the stages. However, for this to be effective, it is essential that you focus on one step at a time.

At first, the choice between being 1% better or 1% worse does not seem very important, but these small improvements compound in time. Suddenly, there is a vast difference between people who make slightly better decisions daily versus those who do not.

Whether you are starting from stage 1 or stage 3, you do not have to make massive changes immediately. It is often the small structural changes that matter, and eventually, with the accumulated 1%, your team too will become extraordinary.

Dave Brailsford transformed the way the British Olympic cycling team performed. Having an effective plan to grow and improve over time is very important for developing the right culture. What is your growth plan? Are you committed to years of progress? That is what you need to do to build a great culture.

The Leaders of Extraordinary Teams.

My experience and several studies confirm that the most consistently successful innovation leaders share a number of common characteristics:

They give clear direction. If everyone is aligned in where they are going, they should know what to do in any situation. This is essential for successful innovation. Leaders must provide a set of common goals towards which all members of a team are working. Team members need the autonomy to be creative, but autonomy without the context of clear direction leads to chaos and wasted effort.

They have a learning mindset. Not all innovation projects will succeed, but even failures can lead to learning. Learning can be one of the most important things to emerge from any innovation project. Successful innovation leaders understand this and ensure that learning is captured, shared, and used to improve.

They get the right balance between addressing weaknesses and building on strengths. It is important to identify weaknesses and improve on them. However, it is just as important (perhaps more so) to recognize success and build on that. Good companies ask the question; *what went wrong, and how can we avoid it happening again?* Great companies also ask, *what did we do well, and how can we leverage that in the future?*

They continually challenge the team. The most effective leaders have a vision of what they want to achieve. They share this with the team providing a challenge to find creative solutions. This development of creative tension is an iterative process. The leader's vision must be continually reassessed and updated to ensure that it continues to challenge the team. Teams must understand that this is not a destination; it is a reason for undertaking the journey.

Supportive Cultures Are NOT Soft.

There is one other important characteristic of all successful innovation team leaders and cultures; they are supportive. However, the word “*supportive*” is behind one of the most common misapprehensions that supportive cultures are inherently soft. They are not! Think back to US Navy SEAL’s example at the beginning of this chapter; SEAL teams incorporate a very supportive culture, but they are anything but soft.

A supportive culture provides psychological safety and trust in team members to not be punished for saying what they think or making an honest mistake. Many studies have shown that psychological safety encourages people to speak out, be creative, and enables moderate risk-taking. These are all good indicators of innovation success. When we feel safe, we are more motivated, persistent, and our problem-solving ability improves. These things are stifled in a more threatening work environment, and so is innovation.

Supportive cultures do not enable or accept laziness, incompetence, carelessness, or lack of commitment. Creating a supportive culture is *not* about making people happy. It is about creating a situation where people feel confident to raise new ideas and are willing to discuss and debate those and others’ ideas.

Supportive cultures are also not about having everyone agree all the time. Some degree of tension and debate is not only healthy; it is probably inevitable in any team that is genuinely trying to achieve something new. Psychological security is not about creating a group that is in complete accord; it is about creating a situation where team members have the confidence and context to be effectively creative.

An innovation culture is NOT soft

Everyone wants

- *Tolerance for failure*
- *Willingness to Experiment*
- *Collaborative*
- *Freedom to speak up*
- *Flat*

The reality

- *Intolerance for incompetence*
- *Demand disciplined action*
- *Individual accountability*
- *Brutal Candor*
- *Strong Leadership*

Source: video: *Three Steps for creating an innovative Culture* (Gary Pisano)

Culture + systems = strategy.

When introducing anything new, we tend to think about announcing strategy first and then putting in systems to support that strategy. Then we expect a healthy organizational culture to follow. This approach seems intuitively correct; alignment first, then systems, and your culture will automatically start improving. However, this is not what we have observed in companies that constantly innovate. What we have seen instead is that:

Culture + systems create strategy.

In companies that consistently succeed at innovation, culture drives company processes, not the other way around. In turn, those processes and systems feed right back into culture. This process creates a powerful feedback loop that leads to the development of a strategy.

A strategy that is not supported by culture will simply not succeed. Instead, start with changing culture through assessing where you are in the four stages and moving on. Change systems to support that culture and improve communication. The strategy will evolve from this.

Final Thoughts.

Culture affects your company's performance more than you realize. You cannot execute a strategy that is not supported by culture. Supportive culture promotes innovation, while a toxic culture can significantly hinder it. Changing from a *Me* culture to a supportive *We* culture is essential for effective and consistent innovation.

Changing culture starts with the basics; a desire to innovate, strategic alignment, and learning orientation. Systems are then put in place to promote innovation, filtering out distractions, and supporting team-wide discipline. Then it is time for the final step; an openness to change and criticism.

This process is long-term and can take years to reach the final stage. Do not expect instant results, and do not try to do everything at once. Be focused and look for those 1% improvements that will accumulate to provide overall change.

To begin your journey towards creating an innovation culture, follow the three-step method. Use the assessment questions to understand where your culture is now and then work out what you need to get to the next step before taking targeted action.

Recognize the importance of leaders in promoting a healthy and supportive company culture and prioritizing systems that promote group chemistry. Understand that being part of a supportive innovation culture is not a comfort-bubble; it is a way of channeling effort and getting the best out of people.

Key Take-Aways



- **Culture matters** – the relationships between the people in your organization define how effectively they perform and how creative they are.
- **“We” always beats “Me”** – supportive, collaborative, team-based cultures *always* perform better than competitive cultures focused on individuals.
- **Culture can be changed** – take it step-by-step, and you *can* build the innovation culture you need.
- **Culture change takes time** – building a new culture takes time. It is a cumulative process where the aggregation of small changes gradually leads to positive change.
- **Walk before you run** – companies that try to change too much too fast frustrate their employees and usually fail. It might feel frustrating to start slowly, but it will increase your odds of success dramatically.



Next Steps: Chances are, you read this chapter and agreed with a lot. Now you need to decide if you are going to do something with what you learned. If you want your company/ organization to be better innovators, you need to get your culture right. Culture takes time and effort to change, but there is never a better day to get started than today.

Chapter 8

The Value of Culture: How Supportive Cultures Can Reverse the Innovation Slope



30
Minutes

Objectives

To identify cultural growth objectives for your company/ organization

Deliverables

2-4 growth objectives for the future.

How to

Step 1: Take an honest look at who you are today (and assessment might help)
Step 2: Identify what a better version of your organization would look like
Step 3: List 2-4 growth objectives

The Full Alignment Canvas

This Chapter

Step 4. With culture to do it better

Who are you today?

Who do you need to be tomorrow?

Growth objectives

How do you know if you have done this canvas right ?



CHECK LIST

- When you think about who you need to be tomorrow- try to identify changes in your culture that would make everything easier.
- Are your growth objectives specific and measurable ?
- Have you been honest about who you are today ? (ps. Doing an assessment will help)



tiny.cc/M-align-template



Next Up: In this chapter and the previous three, we took a tour of some of the important decisions you need to make in your company to ensure you are ready to begin your innovation journey. In the next chapter, we will show you how to summarize these thoughts as TRUE NORTH mission statements that clarify precisely where you want to go and who you want to become.

ABOUT THE AUTHORS



CO-AUTHOR

SIMON VANHOUCKE

(Zottegem, Belgium)

Email: vanhouckesimon@outlook.com

<https://www.linkedin.com/in/simonvanhoucke/>

Simon has extensive experience in strategy and innovation across different industries such as last mile logistics, banking, e-commerce, retail and wholesale. Combining a Msc. in physics with a legal education and a keen interest in technology he believes in the power of curiosity and lifelong learning. He is convinced any successful transformation requires a holistic approach focusing on processes and people. To support companies in realizing their full potential for both, Simon co - launched Scubed. He has also founded his own advisory firm, VEC Advisory, to help companies create the most value today and tomorrow. When not working or enjoying family time, he is learning or pondering about the next crazy idea that could change the world.



LEAD AUTHOR

BRYAN CASSADY

(Oostende, Belgium)

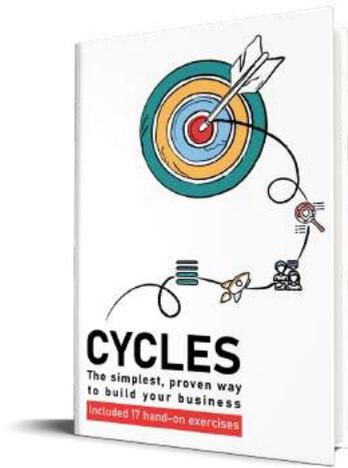
Email: bryan@bryancassady.com

<https://www.linkedin.com/in/bryancassady/> www.bryancassady.com

Bryan is a passionate believer in anyone's ability to innovate and build new businesses. He has personally built 11 companies in 6 countries, with eight of these making money.

For the last eight years, Bryan has been coaching startups and scale-ups and trying to help larger companies regain the spirit of startups. He has taught at the KU Leuven, The Solvay business school, EDHEC, ESCLA, and been a guest lecturer at the University of Chicago, INSEAD, Cornell, Berkeley, and many other schools.

He has also led programs like Founder Institute Brussels and the European Innovation Academy. This book results from four years of research with over 400 companies on what really drives innovation success.



BOOK CYCLES

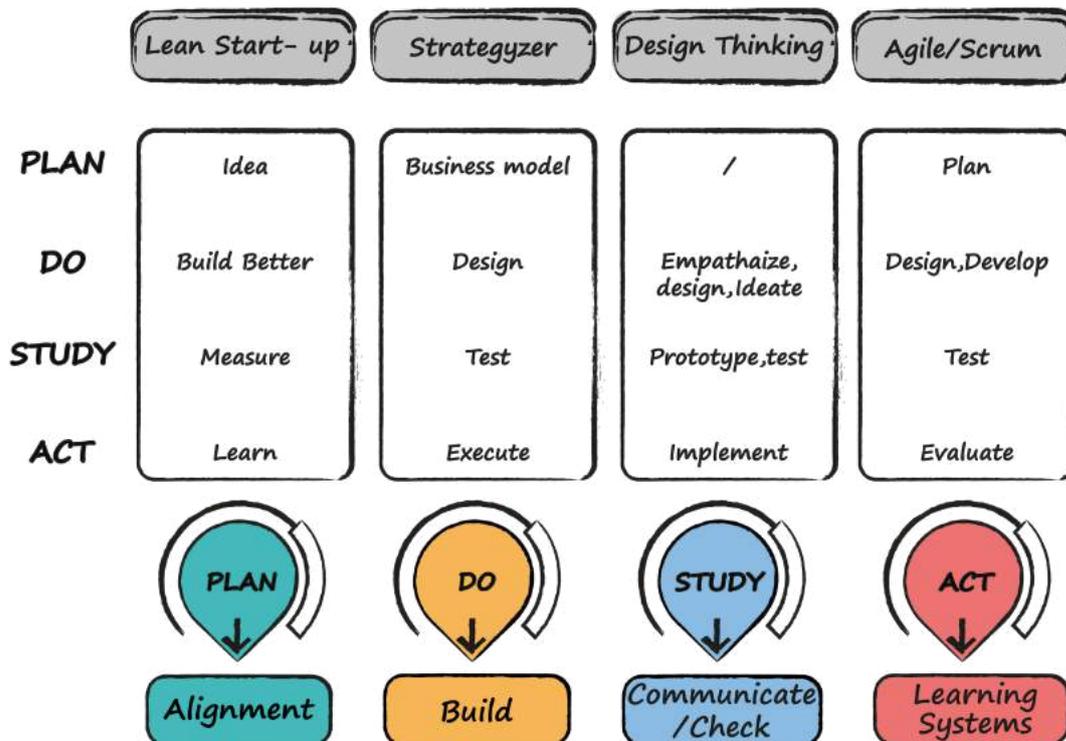
Standing on the shoulders of giants...

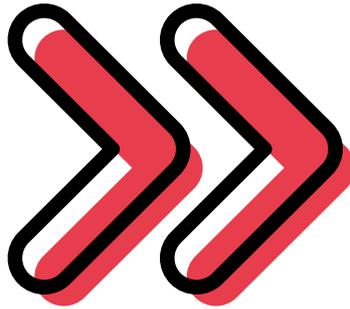
Many of the leading methods- lean start up, scrum, agile are built around the ideas of PDSA (Plan, do , study, act)

This book builds on these ideas, but thanks to the expertise of 22 co-authors, goes one step further.

CYCLES doesn't just tell you what to do, but shows you how to do things step by step.

All the leading methods are Plan, Do, Study, Act and Cycles brings it all together





LEARN MORE

**MORE INFORMATION ON THE CYCLES BOOK.
PLUS MORE SAMPLE CHAPTERS / FREE TOOLS**

www.thecyclesbook.com

**LINK TO OUR CYCLES TOOLKIT
28 CANVASES AND TOOLS FROM 22 INNOVATION EXPERTS TO
HELP GROW LITTLE IDEAS INTO BIG IDEAS.**

www.tiny.cc/cyclestoolkit-ppt

**WOULD YOU LIKE TO KNOW ABOUT COURSES, COMPANY
TRAININGS, GUIDED SPRINTS, PLEASE CONTACT**

bryan@bryancassady.com